

US EPA ARCHIVE DOCUMENT

# Getting Started - Answering Big Picture Funding Questions to Lay the Groundwork

Webcast Transcript

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## Contents

Webcast Agenda and Meeting Logistics.....	2
Poll Question #1.....	5
Poll Question #2.....	6
Laying the Groundwork for Funding Climate and Clean Energy Programs .....	7
Poll Question #3.....	13
Poll Question #4.....	14
Changing the Market for Energy Efficiency in Whatcom County, Washington.....	15
Poll Question #5.....	22
Poll Question #6.....	23
Arlington's Community Energy Plan: Ensuring a Competitive and Sustainable Community .....	24
Questions and Answers.....	32

## Webcast Agenda and Meeting Logistics

Slide 1: Introduction Slide

Slide 2: Title Slide

Neelam Patel: Good afternoon. I'd like to welcome everyone to EPA's Local Climate and Energy Programs Funding Webcast Series. Today, our webcast, *Getting Started - Answering Big Picture Funding Questions to Lay the Groundwork*. We'll cover the intersection and relationship between the planning process of climate and energy programs and the development of your funding strategies.

Many communities have run successful climate and energy programs using funding made available through Federal 2009 economic recovery funds. And to build on this momentum, to continue this momentum and invest and continue to invest in energy savings and reducing greenhouse gas emissions, our program is taking a holistic approach to discuss funding through three webcasts.

Slide 3: Webcast Agenda

And today's webcast, we will start off with discussing how to consider funding at the beginning and throughout the planning process for programs. I'll kick us off with a quick introduction. And you'll have a big picture overview coming from Pat McGuckin of the Cadmus Group, followed by two case studies discussing their programs, first we'll have Shawn Collins and Alex Ramel from Whatcom County, Washington, and that will be followed by Rich Dooley from the City of Arlington, Virginia, who will talk about their Community Energy Plan and how they were able to integrate funding into the planning process.

We will have a question and answer session at the end. And following the end of the webcast, there is an optional exit survey that we encourage you to fill out. Today's webcast – for today's webcast, we will use GoTo meeting. And Lauren Pederson from ICF will explain how to use this program.

Slide 3: GoTo Webinar Software Logistics

Lauren Pederson: Thanks, Neelam. Just a few logistics, you'll be muted throughout the webcast in order to minimize background noise. And you'll be able to submit questions and comments in writing through the question pane on the right hand side of your screen and the GoTo Meeting control panel, and I'll go through how to do that in a moment. PDF and audio files of today's webcast will be available about that web links there. And throughout the webcast, if you have any technical difficulties, please feel free to e-mail me.

Slide 4: Questions (GoTo Meeting)

So if you have a question, you submit to the question pane. And we'll compile these and answer them at the end of the question and answer session. Any unanswered questions we'll post on EPA's web site in a few weeks along with all of the presentation files.

So please include the name of the presenter you'd like to answer your question so we know where to put it when we're compiling it. You simply enter your question and then click "Send" then we'll receive your question.

#### Slide 5: Optional Feedback (GoTo Meeting)

And this is an example of what the exit survey will look like. A pop up window will appear once you exit and please take a few minutes to respond to these questions and provide your feedback.

#### Slide 6: U.S. EPA Local Climate and Energy Program: Goals

Neelam Patel: Thank you, Lauren. So as some background, your host is EPA's Local Climate and Energy Program, I'd like to go over a few (points) with you. What we try to do is help communities reduce their greenhouse gas emissions while achieving sustainability goals and helps connect local governments – local communities with resources and experts.

And through this effort, we're encouraging analysis and integration of multiple benefits into the planning and design of your programs. And on your slide, you see a list of these benefits. And while these benefits are extremely important in the planning and designing process, today, what we want to focus on is how to make those programs happen by thinking about funding.

Our goal for today's webcast is to provide you specific information on developing an effective process. And due to limited time, we may not be able to cover all of the nuts and bolts and so, I encourage you to ask specific questions that will help you integrate funding into your planning process.

#### Slide 7: Local Climate and Energy Programmatic Elements

Some of the planning resources that our program offers are the Climate Showcase Communities. These are 50 communities that are doing innovative projects that you can lend some and actually today, Whatcom County is one of the recipients of funds to develop an innovative program. We also offer tools and resources. You can see – the check the links on this slide to see the range of resources we offer. And we also encourage peer exchange in this webcast as one of those opportunities and which is why those – your submitted questions make such a big difference.

#### Slide 8: How Does Funding Fit Into the Planning Process?

On this slide, you see different parts of the planning process. This can be for planning a project or just in general, in planning. This is not a sequential project. And today's process, excuse me, this is not a sequential process – and today's conversation is about how all of these steps relate to your funding strategy.

And you can see stars by some of the key places that you will hear both the City of Arlington and Whatcom County talk about. And again, this is an iterative process. You can start at any point and make your connections. Sometimes funding comes first, other times you have a great program that you'd like to fund.

#### Slide 9: Upcoming Webcasts

So as I mentioned earlier, this is the first webcast of the three part series. Today, we're focusing on the planning and funding integration. And webcast two will provide an overview of different funding sources that can be used to develop your programs. So we'll get more into the technical funding options that you have and some of these may have to be repaid and others may not. Our last webcast which is June 13th takes you one step further and explains how you can leverage these initial dollars to create ongoing financing terms.

## Poll Question #1

Neelam Patel: So to get a better sense of who's on the line today, we'd like to ask this poll question. At what stage of securing funding are you for your program or project?

Thank you for your responses. Lauren, can you please share the results?

Lauren Pederson: Sure. Let me close the poll real quick. You have 77 who voted. And so 9 percent have already secured funding, 31 percent are pursuing funding, 14 percent have identified specific funding needs, 34 percent haven't started pursuing funding, and 13 percent don't need funding.

Neelam Patel: Great. Thank you for participating in the poll.

Slide 10: Contact Information

Neelam Patel: This is my contact information, if you're – if you have any questions about our program or resources or the future webcasts.

What I'd like to do now is transition over to Pat McGuckin who will provide a general overview of how to lay the groundwork for funding. And he'll be ending his discussion by focusing on ways to help identify the funding needs of your program. And this can help inform how you can develop your funding strategy.

## Poll Question #2

Neelam Patel: So, before we get started with Pat's presentation, and we start discussing the ins and outs of the funding strategy, we'd like to ask another poll question. And that is related to when you start thinking about funding. We know where you guys are on the stages but in terms of the planning process, when did you – or do you typically start developing your funding strategy for your program or project?

Thank you for taking a moment to answer that question. And Lauren, can you go over the results?

Lauren Pederson: Sure, 6 percent said after we develop a project; an overwhelming 62 percent said as we develop a project, spending and planning go hand in hand; 18 percent said before we develop a project, secure funding and then plan; 9 percent as funding is needed; and 5 percent I haven't thought through funding or developing a program yet.

Neelam Patel: Great. Thank you for that feedback. And now, actually, we'll just go straight into Pat's presentation on how to lay the ground work.

## Laying the Groundwork for Funding Climate and Clean Energy Programs

### Slide 1: Title Slide

Pat McGuckin: Thank you, Neelam, and hello, everyone. We have a lot of information to cover for you today so let's go ahead and dive right in.

### Slide 2: Three Big Questions

We're going to be focusing on the three big picture questions that are part of developing your funding strategy. We'll talk about how to integrate funding into the planning process, how to take full advantage of the resources available to you, and how to take into account the funding requirements of the programs you want to consider.

### Slide 3: How Does Funding Fit Into the Planning Process

In terms of the planning process, you've already seen this slide, but let's talk about it for a moment. This is a comprehensive model. Your local priorities will determine how you want to follow these steps. But you'll want to consider for sure the program design, funding and measurement at the beginning of the process. As Neelam mentioned, it's important to note that this is not a linear process. The arrows go in all directions. For instance, you wouldn't want to set goals without having given some thought to whether a realistic program can be designed to meet those goals.

### Slide 4: What Do We Mean by "Program"?

We should explain what we mean by program. Energy efficiency is the category we tend to focus on. It's commonly thought of as the low-hanging fruit. And the energy savings can help provide funding or pay off financing. However, what we're talking about today really applies equally to all six of the categories that you see here. We should also note that when we speak of clean energy, we're referring to both energy efficiency and renewable energy.

A good program example might be energy efficiency. You could focus on, for example, public sector buildings with the Lead by Example program or perhaps on commercial sector buildings or residential sector.

The conversation we'll be having today will focus as much on local implementation of the state or utility design program as it would to a program that you are designing and implementing yourself. Note that some programs may include policy implications, others may not. But as an example, a land use program may include changes to zoning policies and regulations.

### Slide 5: What Is a "Funding Strategy"?



OK. We should also note what – explain what we mean by a funding strategy, stated simply it's the plan for how you will generate enough money coming in to cover the money going out. Note that this is an equation with two sides. It is just as important to understand how the money will go out as it is understanding how it comes in. It is very important that the action plan and projections be realistic.

The key assumptions both on the income and expense side should really be researched. And even with that, there are always expenses that aren't anticipated. So on the expense side, an allowance should be created to cover this possibility, and that possibility is a likelihood. The funding options which you might include in your strategy will be the subject of the next webcast on May 30th. Depending on the program you want to implement, your funding strategy may also include financing. Our third webcast in the series will focus exclusively on that topic.

#### Slide 6: Tips for Integrating Funding into the Program Planning Process

Here're some tips for integrating funding into the planning process. First, adjust the level of spending to fit your needs. For example, if you look back at the planning diagram, the second planning step is to understand your greenhouse gas emission profile. If you're a large city, you might invest in a comprehensive study. If you're a small town, you might simply do some quick research on emissions profiles for similar communities.

Note that the process is iterative. The arrows work both ways. For example, the diagram indicates that you design the program and then develop the funding strategy. That is, in fact, the correct order, but you wouldn't want to start designing a program without having some level of confidence that there's a funding strategy that can realistically support your choice.

What if you're one of the lucky 9 percent on this call who already have funding? I thought that was an interesting number. We would argue that it is important to still go through the planning process. As you'll hear from our case history presenters today, the process in both of their cases played an important role in their success and even helped lead to more funding.

#### Slide 7: Tips for Integrating Funding into the Program Planning Process (continued)

One of the things you'll hear from Bellingham is that the planning process helps them prepare for an unexpected funding opportunity. If you don't already have a plan in place when a grant opportunity comes along, you are not likely to have sufficient time to put together a compelling proposal that's likely to win. In the case of Arlington, you'll hear how the process led to additional funding from some of the stakeholders that they had engaged.

#### Slide 8: More Information on Planning

Here's a list of resources on planning that might be helpful. We won't go through them here. Just remember that they are here for you if you need them.

#### Slide 9: What Resources Are Available for Your Program?

Now, let's talk about resources. Here are some of the kinds of resources that may be available to you. Internal resources like funding and staffing are the most obvious, but these resources alone are not often enough to support – are often not enough to support the program you want to implement. Fortunately, they are likely to be a variety of other resources available to you. The ones shown here are some of the more common resources that you would want to explore. And there are others as well that we'll talk about in a minute.

Note in the lower corner that these are program resources that may not necessarily be direct funding resources for your strategy. But they all have the potential to provide support that can reduce the amount of funding that is required. And for every dollar of funding that you don't have to raise, that's as good as actually raising a dollar.

#### Slide 10: What Resources Are Available (continued)

Let's talk about some of these funding sources or resource or program resources specifically. By internal, we mean within your local government. I would imagine that you already know exactly how much internal funding you have available for your programs.

In the next webcast, we will be talking about strategies for obtaining additional internal funding. You'll also undoubtedly know how much staffing you have for your programs. But we would encourage you to not overlook the possibility that there may be other people within your local government who share your interest in clean energy and the environment and who might be very happy to help out on some sort of a collaborative cross department team.

Political support at the top of your organization can be a major contributor to your success. Note that job creation, economic development and energy security are often more persuasive selling point for leadership than global warming is. We often try to focus more on jobs in the economy and energy security. Also note that a small first step that generates a favorable response from the community can help and encourage people to jump on board.

With utilities, it's very important to understand the rebates and other incentive programs that they are offering or planning to offer. Utilities are often already spending a significant amount of money on reducing energy demand. So one strategy for reducing the funding that you'll need is to work with the utility to help augment the programs that they are already funding and make them even more successful.

With lenders, we'll be talking about them in webcast three in much more detail. CDFIs are one that we'll be talking about in webcast three but are probably worth a quick mention here.

Community Development Financial Institutions (CDFIs) are typically non-profits that focus on serving underserved communities, often low income. They are great sources of low-income loans, for example, if you are interested in doing a residential retrofit program. We'll be talking about CDFIs in more detail on webcast three.

And then the other learning that we've had is that local community lenders and credit unions are oftentimes more responsive to getting involved with a local program than are the regional, national lenders.

#### Slide 11: What Resources Are Available (continued)

Non-profits can be a significant source of support. We'll be talking about foundations in webcast two. And one of the things that you'll hear then is that many foundations are moving from just giving away money in the form of grants to what are being called mission-related investments. These are low-interest loans that must be repaid.

So that creates some limitations on what sorts of programs you can implement using a mission-related investment. Whatever it is, it has to have some sort of a revenue stream or an energy-saving stream or something that can be used to pay back the loan, even though it's a very attractive, typically long-term and low-interest loan.

We won't go through the rest of these here. Just point out that they're there, businesses, community support and so forth. You'll notice that most of these resources could also be described as stakeholders and that's not a coincidence.

Stakeholders are people and it takes people to write checks and agree to provide support. The first step in the planning process, if you'll remember the diagram, is stakeholder engagement. And it is really a very crucial element in obtaining funding and support.

#### Slide 12: Tips about Program Resources and Their Impact on Funding

Clearly, the more resources – let's talk about tips for a minute for program resources and they're, in fact, on funding. Clearly, the more resources you can identify that can help support your program, the less funding that you may need. If you can find an expert, for example, that's willing to work pro bono, then you may not need to hire a consultant to do the same sort of work.

We've already talked about utilities and knowing how important it is to understand what their incentives are, what their programs are that they're working on. One of the things to note is that they're, getting them involved early is very important. They typically like to control their programs. They already have existing programs and they're going to be typically much more responsive to the idea of you're helping them augment their programs and build on their programs, leverage them and so forth, than if you come in with some sort of a pre-conceived plan of "Here's what I'd like to do, can you help with this?" Just a tip for working with utilities.

Nonprofits and volunteers can also minimize the need for funding, to look for opportunities to get them involved. The good example would be if your project might include a call center, getting volunteer students from the local college who might be willing to staff the call center, particularly if they're involved in a curriculum that includes clean energy workforce development, that sort of thing. That can be a good source of not so much funding as reducing the need for funding.

Slide 13: Tips about Program Resources and Their Impact on Funding (continued)

Retrofit contractors, energy service companies and others that can benefit from the work and create the jobs and economic development that you're hoping your program will provide can also be very valuable allies. In particular, weatherization contractors have been doing this sort of work as part of the ARRA funding all over the country and they're typically non-profit.

They're well-trained, well-staffed in most cases and can be – if you're interested in doing a residential retrofit program, they can be a very valuable ally in getting that into place. Another tip is that major employers can provide access to their employees. You'll hear about this more in webcast 3 as we talk about the program that Little Rock is implementing.

Slide 14: More Information

Slide 15: What Do You Want to Fund?

And I think I'll probably need to hurry up here, so let's talk about what you want to fund. And the intent here is that developing a funding strategy before developing funding strategy, you need to understand what the funding requirements are of the program you're considering. Crucial is to understand to how much money that program elements will require then includes the capital budget for equipment and other assets, what are the startup expenses are going to be, what are the long term operating expenses.

And crucially here, the budget is important but the cash flow projections are what are really crucial. One strategy can be to start with, to start quickly with a small pilot, and the idea there is to establish proof of concept. Once you got that proof of concept, it can be much easier to get additional funding.

Slide 16: What Do You Want to Fund? (continued)

Can the program generate revenue or reduce expenses? Are there fees that can be charged? Are there sponsorships that can be sold and that sort of thing? How much seed funding is required? And they were talking about typically one time funding that you can find at the beginning of a project that can help get it started.

Slide 17: What Do You Want to Fund? (continued)

And then if you're wanting then to make a long term ongoing program, you need to think about sustainable funding. Can there be a funding source or revenue stream that can help to keep it going? Then, finally, could the product program be financed? To be financed, a program must be able to generate reliable revenue that can be used to pay off the financing.

We'll be talking about this screen, this table more in webcast 2 where we talk about the different kinds of funding, seed and sustainable in each case, whether it's money that you can spend or do you have to repay it. And what different sorts of sources might fit each of these categories and how they might be used. So tune in for webcast two for more on this.

#### Slide 18: Tips for Evaluating Funding During Program Selection

And for some reason my screen seems to have frozen. There we go. Let's talk about tips for evaluating funding during program selection. What you want to fund will definitely impact what funding you want. The bigger the program, the more the funding. The structure of the program, is it an ongoing program? You'll need the ongoing funding.

Programs that generate revenue or savings are typically easiest to fund and finance. They can largely fund themselves and to help pay back the financing. Typically, this lends itself to an energy efficiency program. That can be a good choice for targeting the low-hanging fruit of energy efficiency.

Lead by Example Programs can be a good choice. For a local government, it may be easier to manage and control a program that targets local government versus one that's targeting other sectors.

#### Slide 19: Tips for Evaluating Funding During Program Selection (continued)

For some reason, my computer seems to be hung up, but on slide19, if it at some point changes to that, you'll see that – hold on just a moment. Let me see if I can get it back. There we go.

Tips for evaluating funding during the program selection, let's continue with that. Weatherization contractors, we've already talked about them. For the commercial energy efficiency sector, EPA's Energy Star program can be helpful. We're seeing more and more communities and states around the country encouraging benchmarking with portfolio manager to help building owners understand what their energy profile is. And finally, think big by starting small, pilot programs can work out problems that you're not expecting and establish proof of concept. We mentioned that as well.

#### Slide 20: More Information

#### Slide 21: Contact Information

With that, here's more information and my contact information. And with that, I'll turn it back over to I think Neelam.

## Poll Question #3

Neelam Patel: Yes, thank you, Pat. And I think we worked through our technical difficulties.

So as you heard in Pat's presentation, energy efficiency is the low-hanging through a cost-effective program. And what we'd like to do to try to get a better sense of what the priorities are for the participants on the call, you guys, our customers, we'd like to know which type of climate mitigation programs you have decided to fund and to invest in.

As I've said there are local priorities that may not make energy efficiency the best choice which is why we're asking this question. If you'd take a moment to answer that question? And if we can see the results?

So energy efficiency is the low-hanging fruit, 76 percent; renewable energy, 53 percent; and transportation programs which are also very important, 27 percent; solid waste and materials management; 31 percent; and there are still folks out there that are in the earlier stages of unidentified programs – very interesting.

One of the messages that we've heard from communities is communities that invest in energy efficiency programs can sometimes use those savings to help fund other programs. So, for those 11 percent, it would be, you know, an interesting option to look at. And you'll see that a lot of our discussions today with Bellingham Washington, also known as Whatcom – also in Whatcom County, and Arlington focused on the energy efficiency and renewable energy.

So, before I – before I hand over full reign to Shawn Collins and Alex Ramel from Whatcom County, I'd like to post another poll question for our audience.

## Poll Question #4

So Alex and Shawn represent two nonprofits who provide their services and technical expertise through the county to run energy efficiency programs. The question for you is what type of organizations have you successfully partnered with for developing your programs? Can you take a moment to answer please?

Thank you for taking the time to answer. If we can see the results? Now, utility companies comes up pretty high with 58 percent and then businesses at 35; non-profits and educational institutions with universities and colleges, 61; real-estate owners at nine percent; and none of the above at 15 percent.

Great. Well, that's very interesting. And now I'll turn it over to Shawn and Alex.



## Changing the Market for Energy Efficiency in Whatcom County, Washington

### Slide 1: Title Slide

Alex Ramel: Great. Thanks, Neelam. This is Alex Ramel and Shawn Collins. I work for – this is Alex and I work for Sustainable Connections and Shawn works for the Opportunity Council. As was mentioned, these are both non-profit organizations in Whatcom County, Washington.

I'm glad that so many of you are interested in energy efficiency and are interested in working with non-profits, because otherwise our presentation would be pretty boring. Whatcom County is in the northwest corner of Washington; Bellingham is the city where we live. It's the largest city in Whatcom County. It has about 80 or 85,000 people; in Bellingham, about 200,000 people in Whatcom County, just so you have some context.

### Slide 2: Community Energy Challenge

We're going to talk today a little bit about our program, the Community Energy Challenge which has been in operation for about two and a half years. We'll give a little bit of background on goals, the partnerships, and sort of how our program works. Talk a little bit about the outcomes that we have achieved so far. And although this outline doesn't show it, we're going to spend most of the time we have today talking about the lessons we've learned specifically on some of these themes of partnerships and stakeholder engagement.

### Slide 3: Community Energy Challenge

So the Community Energy Challenge is intended to be a one-stop shop for small businesses and homes in Whatcom County to be able to get comprehensive assistance, getting energy efficiency projects completed, and so, that sort of paves towards two key goals.

### Slide 4: Program Goals

The first is creating local jobs specifically in the construction industry that's been hit so hard during the recession. And in our second key goal is to save energy. And of course, a corollary to that is reducing climate change.

### Slide 5: Community Action Plan

One of the things we have to talk a little bit about is how this program fits into the communities' larger greenhouse gas strategy. Bellingham completed a greenhouse gas emissions inventory and a local climate action plan with the assistance of ICLEI Local Governments for Sustainability in 2005-2006.



This graph shows basically the business as usual trend line for greenhouse gas emissions in the communities taking into account population growth and other factors. And what it shows here, if you're able to read the details there, I'm showing a data-heavy graph right around lunchtime, which may not be the best way to keep audiences' attention. But what it shows is basically that the single largest factor for greenhouse gas emissions in our community is transportation.

But when you look at energy use in buildings altogether, specifically the green and blue, residential and commercial actually is even larger than the transportation sector. And so the local government here that has established aggressive greenhouse gas emissions reduction targets is very interested in finding ways to support reductions in energy consumption in private buildings, in both the residential and commercial sectors.

So I'm going to turn it over to Shawn now and he's going to pick up.

#### Slide 6: Partners

Shawn Collins: Sure. So the opportunity council is a community action agency, we've been around for over 40 years, providing home modernization services, and we have a lot of expertise in that area. And the way we split up the coordination and management of the community energy challenge between the two organizations is that we take control over training contractors, coordinating residential projects, also the fiscal oversight for the projects and sustainable connections being a membership of the local membership association works with the commercial, small commercial customers, providing the marketing outreach and generally engage with the community and educate them.

#### Slide 7: Partnerships

In terms of partnerships that we have to coordinate the program, we have coordinated with the two huge utility companies that provide over 90 percent services to customers in our county as well as the county government, local, the city of Bellingham as well as small cities of Whatcom County as well as financial institute and other educational and nonprofit organizations in the community.

#### Slide 8: Overview the CEC process

Let's review briefly how a customer moves through the process of the community energy challenge. This is specific to the residential side of the program which makes up about 80 percent of our overall services that we deliver in the community. So a customer calls in or contacts us via e-mail or walks into our office, we schedule them for a comprehensive home energy assessment at a cost of \$195.

We go out onsite, a BPI-certified analyst is onsite about five hours, doing combustion safety testing, and imaging, puts together a scope of work. We then meet with the homeowner approximately three days after that to review the findings as well as discuss what utility rebates are available, what tax credits are available for and we have secured incentives through the grant funds that we can contribute to a project upwards of 30 percent of the cost. And then we'll also

introduce them to a loan program if they're interested. We then coordinate with participating contractors who conduct the work; we give the quality assurance inspection and then facilitate the closeout of that transaction. That's generally the lifecycle of a project for customers.

#### Slide 9: So Far

In terms of outcomes, to date we have completed at this point over 650 assessments, we're upwards of 700 now. And in terms of the projects, we've completed 455. We'll be closing out upwards of 600 by the end of the third quarter of this year. And average savings per customer is about \$450, which is approximately 20-30 percent of the average cost of energy for homeowner sharing in our communities.

And in terms of the commercial program, we've completed 120 assessments for smaller commercial buildings and completed 48 projects. One thing to note, in terms of the residential program, we distinguished projects actually from households. And at this point, we're seeing an uptake rate greater than 50 percent, meaning that more than half of people will be getting an assessment with the program and end up implementing at least one recommended measure.

#### Slide 10: Economic Impact

Now, in terms of the economic impact, the fourth quarter of 2011, we supported 84 positions which translated into 28 full-time equivalent positions. That was the result of the contracts that we set up through the small commercial and residential projects as well as some of the direct finance supporting program staff.

To date, we're seeing a total economic activity of just over \$6 million, which we're seeing for every dollar of public money invested, we're matching that with \$1.17 of private investment. So we have a leverage that we're proud of in terms of showing good use of public funds. And we're approaching a quarter of a million dollars in annual energy savings for the customers. And in terms of our loan project, our loans, we have roughly 25 percent of all of our projects in the residential side, accessing our loan to finance projects.

#### Slide 11: Program Continuity

So the Recovery Act funding that we are using is wrapping in the third quarter of this year. And as with I think I'm going to go up on here and guess that that's the – that many of the folks on this call are in a similar situation.

What we have done in the last few months that we're pretty excited about is we've reached out to the state legislature along with several other similar programs around Washington State. And we said, look, there're people working in this industry right now that wouldn't be working otherwise. There're businesses that have been able to stay in business through the recession that would have otherwise gone out of business. And that's all going to go away with the end of the Recovery Act without some assistance, and we're able to make the case to the state legislature this year that these kinds of programs deserve to continue.

They passed the Jobs Bill and these programs were refunded through that jobs bill, so the funding source that we rely on, that was set to expire this year is now going to be continued throughout at least the middle of next year. And we've been told by the legislature that they're going to consider that it's going to come back up for consideration into the future.

And I think the big thing that we're able to do to make that case – one is that we sort of have piloted this. But we are able to make the case that this is the Jobs Bill, right? This is – as Shawn mentioned, for every \$1 of public investments, we're seeing close to \$1.20 in private investments going towards these projects. And that's a valuable case to be able to make.

And so one of the things that I would suggest as a lesson learned is to identify the metrics that are going to be – that are going to be significant to those key stakeholders and make sure that you're able to report on this and manage a program to maximize this.

#### Slide 12: Lessons Learned

So we're going to spend just a few minutes going through some of our key lessons learned. We can talk about a lot of different things, our focus today is on funding and program design. The first thing I wanted to highlight is that there is ample demand in the marketplace for these kinds of programs.

In other words, if it does work, it does make sense. Shawn mentioned that they're seeing between 50 and 60 percent uptake rates. They're on the residential, especially audits to completed project rate is between 50 and 60 percent. Compared to utility programs that don't have involvement of the third-party, those rates are somewhere around 10 or 15 percent in this area.

I would also mention that we have a waiting list right now of close to 200 home owners who are interested in the program and we keep the business pipeline pool continuing on the commercial side.

And the other thing I'd highlight is that if it can work in Whatcom County, it probably works, will work well in other parts of the country. We have a couple of things stacked against us in terms of energy cost. Because of Bonneville Power and cheap hydro, electricity rates here are low, which means the payback period on energy savings measures is longer.

We have the maritime climate without much snowing and very low heating demand. Meaning that it takes longer for those improvements on your homes to pay for themselves because your total costs on an annual basis are lower. So I would really emphasize that there is demand in the marketplace for these kinds of efforts.

And one thing I'll mention on that last slide is that we've seen higher uptake rates and more customers in the urban areas, it's easier to do marketing and word-of-mouth is very important in terms of how people hear about us.

#### Slide 13: Lessons Learned (continued)

In terms of identifying partners and specifically nonprofits to partner with, a couple of points there to mention is that nonprofits often will have some extra keys in-house that local governments or jurisdictions may not, in terms of grant writing expertise, or in our case specific technology of the job training and the learning tools of the trade. So specifically, the program, you know, there's many years of experience there with implementing this work, and we've been able to capitalize on that to train local private businesses to adjust their business model in order to incorporate whether there're any specific services, whereas previously they were doing remodels on homes, now, they're looking at existing homes and going in and doing these energy efficiency retrofits which has expanded our business and allow them to, on some cases, thrive in the last few years.

#### Slide 14: Lessons Learned (continued)

And in terms of the real plan in place in the development of a program, one of the things that we are fortunate to have is a plan that we began discussing prior to there being funding available. So we were looking at the strategically between our two organizations of how to launch, or whether there's a specific program for moderate income households who, with the work could be done through private businesses.

And so we have been thinking about that, and had a general plan that we pulled off the shelf once we realize that there were some funding available to do the work. So I think there was a lot of benefit to – during that brainstorming and some initial work laying the foundation of this program.

And then we identified some funding which we – when it came out, we were ready to firm up our plans and submit an application within a relatively short amount of time having a lot of partners already at the table. And that bringing to the table and getting funding from them is a lengthy process and so having done some of that labor earlier allowed us to mobilize relatively quickly.

The other thing – the other lesson I would – I would say we learned at least on the positive side here is that the way that our funding for our program came together. It started with local sources. So we talked to the city and the county about EECBG funding, the locally available money which is a relatively small piece of our total program budget but having them investing it from a local partner made it much more attractive to the state that might not have been familiar with Shawn and I.

But certainly, they have some respect for the city and county governments. And so showing that local investment at the beginning of our fundraising development was a significant success.

#### Slide 15: Lessons Learned (continued)

So, my guess is that to some folks on the call, the idea of engaging utilities in energy efficiency programming makes a lot of sense. And to others it may be a little bit of a head scratcher. And I think the rules vary depending on the states, the way that regulated monopolies function.

In Washington State, the way that it works is that utilities are allowed to invest rate payer money in cost effective energy efficiency improvements. And it makes sense for them to do that because they're required to meet all of the demand in their service territory. And the least expensive way for them to develop new capacity is to pay for energy efficiency; it's less expensive than building new power lines, new transmission capacity, new power plants.

And so it's a smart business decision for the utilities to invest in energy efficiency. But as Pat mentioned earlier, they have existing programs. They have a lot of very specific rules and guidelines about how they can invest in energy efficiency. And we have to be very careful in discussing this – discussing our program with them because they weren't going to be interested in funding just any energy efficiency.

Specifically, what they needed to do was to be able to document for their regulators where the energy savings was occurring in a rigorous and defensible way. And so, we needed to be able to provide them with adequate evidence of each energy efficiency improvement that they helped pay for.

Their utility rebate programs already are set up to do that. And so what we've established with both utilities is a relationship where they help us – where we essentially direct people to their rebate programs and we can receive funding as essentially marketing for their existing programs.

And to get to that point took us a little while to sort of figure out what it was that they needed and how we could work together. And I guess what I would suggest to folks who are interested in approaching utilities for funding for energy efficiency programs is to get to know the rules in the state, and how the utilities are regulated and what evidence they need to be able to bring to their regulators of energy savings.

#### Slide 16: Lessons Learned (continued)

The final lesson learned that we wanted to talk a little bit about is just how we piloted this program to get started. On the – on the commercial side of our program, we had a little bit less experience. As Shawn mentioned, the Opportunity Council has been weatherizing homes for 25 years.

It was just really moving from low income to middle income homes in their case. In our case, we worked with businesses on other sustainable practices but not energy efficiency specifically. And so what sustainable connections did, we got a small amount of funding from a foundation which is much more flexible money to run a pilot.

And we worked with seven small businesses for a couple of months on energy efficiency projects in those businesses before we applied for any of – any of the other grants. We were then able to talk about the types of energy efficiency work that would make sense to do in a wider range of businesses in the grant applications that we made.

One of the big things that we learned in that that I – in retrospect perhaps is obvious but we didn't think of at that time, the folks that are likely to sign up for an energy efficiency program are more likely to have already picked all of the low hanging fruit. So we, for example, went into one business where the owner was shutting off the pilot light on his stove or rather on the – on the oven every single night to conserve natural gas. So it becomes more difficult to find energy efficiency improvements in a building like that.

The final thing I'd really highlight to folks, our program is really intended to be – to clear all of the different barriers for our clients to get energy efficiency improvements completed. And that includes information, access to a trained workforce and access to capital. If you are on shoestring budget, our experience is that the information barrier is the single most significant. And so if you're looking at developing an energy efficiency program with less funding, focus first on getting clients good information, detailed energy audits, or energy assessments.

So, I guess, we're not going to take questions right now, but I'm supposed to encourage you to type your questions in while they're still fresh in your mind, and then we'll take those questions at the end of the full webinar.

## Poll Question #5

Neelam Patel: Yes. Absolutely. Thank you. And, you know, we were – through the registration process, we asked for you guys to highlight key issues. One of the issues that was raised was how to work with non-profits. So, please, take some time to dive deeper into what you want to know about that partnership to help run your program. So, you heard about the way the presenters partnered with NGOs. And we've heard Alex and Shawn talk about was the role of pilot – the role of pilot program can play.

So if you can please take a moment to answer this poll questions, it would be greatly appreciated. Pilot projects can be a good way to get started and so let's see how the participants are – how you guys are approaching pilots.

So, have already completed a pilot program 12 percent, are implementing a pilot program 22 – that's great news, we'd like to see implementation – you were considering a pilot project, 24 percent and you did not or do not plan to do a pilot, 11 percent and you have not yet (got a program) to pilot. Great. Thank you.

So as we – so as a result of the last presentation from Whatcom County it is a good opportunity to think about what role pilots can play, not just in energy efficiency programs but even in other programs.



## Poll Question #6

Neelam Patel: Our next presenter, Rich Dooley, from the city of Arlington is going to be talking about a case study that focuses on stakeholders. And we had mentioned that earlier. So as part of his process, he communicated benefits to leadership to help support funding.

So if you could please take a moment to answer this question on benefits and communication. We appreciate the time that you're putting into answering these questions. And as you're reading these questions of you're thinking of other issues you want to learn more about, please submit those questions to us to the go to meeting panel.

We could see the results for this particular question. Great. So, the question what are the benefits of your program who you communicated to get funding. And job creation, 55 percent, energy price security, (52) percent, environmental benefits, 70 percent, health benefits, 34 and additional analyzed by 13 percent. Great.

Well, thank you. And we'll see how Arlington has invested in this communication technique as part of Rich's presentation.



## Arlington's Community Energy Plan: Ensuring a Competitive and Sustainable Community

### Slide 1: Title Slide

Rich Dooley: All right. Very good. This is Rich Dooley and the Community Energy coordinator here in Arlington. And let's see, go ahead and share my screen. Hopefully you can see my screen now.

### Slide 2: Presentation Outline

And I will proceed with the presentation here. The outline for the presentation essentially is to do my best to piggyback off of the presentations you've already heard to talk bit about the background on the Community Energy Plan project here in Arlington and to – in addition to talking about the larger project, also talk about the funding element of the Crystal City Integrated Energy Master Plan effort that's happening in Arlington county sort of a subset of our 26 square miles.

### Slide 3: Arlington's Energy Journey – Creating & Implementing a Vision

In Arlington, we have a long journey dating back from the '60s and '70s when it comes to sustainability efforts. Smart growth has been a long term sort of effort in Arlington folks in (public) transportation for the most part and that dates back to the '60s and '70s. And then we've had a number of different initiatives since then. We had the green building program started up in '99. A lot of efforts to try to get smart and what happens with best practices overseas with information in Germany and elsewhere.

The AIRE program which is Arlington's Initiative to Reduce Emissions was launched in 2007 and then the Community Energy Plan started in January of 2010. So, it's been an ongoing effort to go ahead and weave sustainability into a lot of things that happened in Arlington.

### Slide 4: Smart Growth

This is just a picture of Arlington as we look toward Washington D.C. It shows that there is a lot of development right along the metro corridor.

But as you go just a mile outside of that strip or ribbon where the metro corridor is, land use and transportation plans that date back to the '60s and '70s as they were being implemented have yielded some great results in keeping that lower density in place with single family homes, creating the sort of the best of both worlds with the transit corridors, the business development along those corridors, and also living – the quality of life of people who want single family homes also come to expect in other places in Arlington.

Once again, we are at 26 square miles so we have not a lot of room to work with. And so, this type of planning and implementation of these plans is very important.

#### Slide 5: Arlington's Current Comprehensive Plan Elements

Now, as we look at our comprehensive plan, we noticed that there is currently no energy element. There is the general land use plan. There is the master transportation plan. And as you see on the screen, a lot of other different plans that are currently in place. But back in 2009 it was recognized that we don't currently have an energy element in place. And so, that was really one of the main impetus for developing this community energy plans for Arlington.

#### Slide 6: Community Energy Plan: Background

Now, when we talk about the community energy plan, there are three primary facets that we focus on and those are, in no particular order, the three lenses that we try to look at are economic competitiveness, energy supply security, and environment issues.

Now, this project started in January 2010. And one of the things to highlight is that we did get the highest of level support for this initiative. It was launched by our county board chair back in January 2010. And also that same county board chairman reached out to essentially CEO level types throughout the community, those community leaders, to ask them to participate in a task force. And there were 29 people total who signed up for this effort to be part of the task force.

And he found out that having that really high level of participation for those who were asked as well as high level in the organizations makes a big difference, because those are often the people who will control the funding issues and that played out later on as we started talking about that Crystal City Integrated Energy Master Plan. We were able to enlist the support of others of the task force to help fund that effort.

And so, a lot of this is about relationship-building and making sure that we go ahead and to not only to begin to start those relationships with a variety of stakeholders but also continue to maintain them because of many different reasons, be it political or be it for funding issues.

#### Slide 7: Arlington Community Energy Framework

Now, the Community Energy Plan framework shows from top to bottom, we focus on energy efficiency. And it was good to see the various energy efficiency programs being funded throughout the country in that earlier poll question.

And as you make your way down that list, we look at other elements of the energy plan, capturing heat and using it to heat and cool buildings, employing renewable energy technology, and putting the energy distribution systems in the area where it makes the most sense.

#### Slide 8: Headline Target: 2050 Greenhouse Gas Emissions

Our 2050 goal, we also did a greenhouse gas emissions inventory. And that was done back in 2007. We are at 13.4 metric tons of CO2 equivalents per capita per year. And our task force in its report that the county board accepted May of 2011 said drop it down to 3.0 by 2050.

And so, that was essentially phase one from January 2010 to May 2011, phase one of our project. And in phase two we are now looking for ways to implement those recommendations and strategies from the task force, as well as actually going forward and drilling down into places like Crystal City to figure out how we actually implement the various recommendations and strategies to drive us down to our goal of 3.0 by 2050.

#### Slide 9: Per Capita GHG Emissions

And breaking down the different facets of the Community Energy Plan, there is the buildings element making sure that both existing and new buildings become more energy efficient, employing district energy technologies as well as CHPs, combined heat and power, which is essentially creating electricity and also taking the heat from that generation of electricity and using it to heat and cool buildings, or heat water to heat and cool buildings. We also have the transportation sector in there and driving down our emissions in the transportation sector employing renewable to help us out.

#### Slide 10: Community Energy and Sustainability (CES) Task Force

Now, the relationships, here's the group picture of the 29 task force members that were integral in moving this forward. And all these people in the picture are relatively high in their organization, on the organizational charts in their organizations and that did make a big difference.

Because reaching out to them both from our staff standpoint, as well as from the county manager standpoint and from the county board point of view, really helps to go ahead to have those relationships and to talk with them about, number one, how to implement the Community Energy Plan, but also what could they do to further this effort in terms of their funding and their capabilities to help fund the efforts.

#### Slide 11: CES Task Force (29 members)

This is just a quick cross section to show you that we came at this from many different sectors. It wasn't just the environmental community that was at the table. But it was very important to ensure that we had major developers, major businesses at the table as well as the utilities that serve the Arlington area.

#### Slide 12: Technical Work Group (TWG)

In addition to that, we also have our technical groups and those technical groups span the range from buildings all the way through finance and education and outreach. We cover all of our bases when it comes to how energy relates to people in the county.

And as we did this, we had consultants by the name of Peter Garforth and his team and we used funding from a couple of different sources to help to get phase one done for the Community Energy Plan.

The AIRE program which was mentioned before put in about half the money and then our general fund help pay for the rest of phase one for Community Energy Plan. And then from there, our current implementation plan efforts are being funded through our counties general fund. And, once again, this is all part of the relationship-building and making sure that we have both the political support as well as the support from our county managers office. And they've all been very fully supportive and the community has been as well.

#### Slide 13: Timeline

Here's our timeline. We started back in January 2010. We're in the implementation plan phase and developing that implementation plan, and we'll back to our county board the draft documents for implementation plan as well as that draft community, or I should say comprehensive plan element, and that is going to all become final in the year 2013.

#### Slide 14: Crystal City IEMP

Now, drilling down to the Crystal City Integrated Energy Master Plan, once again, that Community Energy Plan is looking at the entire county, whereas this Integrated Energy Master Plan looks at one specific neighborhood. And it's an important neighborhood because it was hit by the base relocation process, BRAC process.

And so, there was a master planning effort, mainly land use and transportation effort, that was done back in the fall of 2010. And that was approved just last fall by the county board. And then, here we come in with an Integrated Energy Master Plan to leap off of that master planning effort that was done.

And so, we began the IEMP effort in December 2011 and we expect a report due out by probably in a few months of this year.

It's important to note that the funding for this is equally distributed from a major developer that owns over 60 percent of the commercial buildings in Crystal City, a major gas utility that serves the majority of Arlington County as well as the county government. We all funded this project equally and we partner on the initiative. We call ourselves the consortium for a lack of a better term. But we are working together in relationship to this project and also helping to steer and guide a consulting team, and all the funds that we put into this are helping to fund that consulting teams efforts and coming up with the recommendations.

#### Slide 15: Proposed Surface Transitway (Streetcar)

When we talk about transportation, it's in a relationship with energy. We note that there is also a street car being planned for the Crystal City area, and how that street car is going to be powered potentially could be through the use of those combined heat and power systems that will not only

provide electricity to buildings, but could also provide electricity to the street car on into the future.

#### Slide 16: Land Use Mix

The land use mix in the master planning efforts and change the land use into the future. You see there the existing square footage as well as the plan build out square footage increases over 15 million square feet of gross floor area, and it is going to be a substantial build out in Crystal City.

#### Slide 17: Proposed Plan – Demographic Forecast

And what we're trying to do is ensure that as we move forward that energy efficiency for those buildings as well as district energy is incorporated into the planning efforts as Crystal City continues to grow. And grow not only in terms of the building and the square footage but also the number of residents who are going to live in Crystal City as well as the number of employees is planned to increase over time. And so, all of this is very important.

And one of our main elements of our Community Energy Plan is to ensure that the Community Energy Plan goals are able to be effectively woven into county planning efforts as well as projects that come forward into the county and go through the public review process, ensure that those Community Energy Plan goals are integrated into the final products that come forward.

#### Slide 18: Recommendations

In terms of what other communities can do that their community energy plans, integrated energy master plans and so forth are funded and funded adequately, it gets back to the relationship-building. And when you make those relationships, understanding your audience and making sure you know what are the buttons to push for each of those individual people or audiences that you are talking to and having conversations with.

So, for our chamber of commerce and civic federation, economic development commission, they are very focused on economics. And we need to ensure that we make the link for them to show them the goals, recommendations and the strategies of the Community Energy Plan, and how it plays into making Arlington County economically competitive now and on into the future.

Also recognizing energy security as a big deal, and there are many externalities and a number of things that are happening around the world that we don't have control over currently, and how do we plan to change on to the future so as to enable us to be able to be more nimble, and act more effectively as things change in the energy world throughout the planet. And also ensuring that the environmental protection commitment to the environment is a mainstay in Arlington and it has been and we continue down that road.

And so, once again, just ensuring that you recognize who's having – who you're having the conversation with, increasing the trust between yourself and those organizations and those individuals, and making sure that you receive the feedback and you respond to the feedback from those various stakeholders accordingly to make sure that they know their voices have been heard,

and that the plan does reflect a number of their comments that they brought forward during the discussions with you.

The respect from the communication leaders is very important in ensuring that those people who do impact their budgets at the organizational level, and also throughout the community are there at the forefront and being able to carry the message through their networks and through their contacts all throughout the community.

And, also, we have a Community Energy Plan which is county-wide, but also it makes sense for you from a funding standpoint. You can start small. And you can start with a pilot project such as that neighborhood integrated energy master plan.

In Portland, they have things called eco districts. Also, eco districts are happening in Washington, D.C. And so you can go forth and do those smaller scale projects and not try to tackle your entire jurisdiction, show a success story, show those pilot projects, show where they work, and then carry that message forward and show that funding for this made sense – therefore, funding on into the future for some of your other efforts does make sense as well.

So ensuring that you set up the relationships, you maintain them effectively, and you get those success stories out there and play them up, play them up large, I think can all be beneficial, too, and in all jurisdictions who are striving to go ahead and to do this sort of work.

I think that's it for the presentation. I'll pass it back to Neelam.

Neelam Patel: Great. Thank you very much, Rich.

And so the – for the folks that are still online, we really appreciate the time you've spent here. And I again encourage you to submit questions that can help you with your own program development and your funding identification process.

## Poll Question #7

Neelam Patel: And so that we can help you better, we want to ask a few poll questions about challenges and some of the struggles that you may be having in moving your programs forward when it comes to funding. And so our first poll question for you on the challenges is currently on the screen. This is an important question for us so we can continue to provide you with support, so if you could please take the time to answer it.

What challenges have you faced in trying to obtain a funding source? And the two examples that we had did have political support – your first choice – but we'd like to get a better sense of where your counties lie.

Thank you for taking the time to answer that question. And we'll take a look at the result. Lack of political support, 41 percent. So you have a few more – a little bit more effort to make when it comes to making the case as to why your community should invest in this. Lack of expertise in and experience with available types of funding, and that's hopefully what we can provide you with in these two webcasts that are coming up. No interest from utilities. They are a key partner. So that is a challenge, 22 percent. And then to commit to this process, 54 percent.

Thanks for taking the time to answer that question.



## Poll Question #8

Our next poll question to see how we can better help you is "what funding-related activities do you struggle most with?" And this piggybacks on what we heard from Rich in his presentation.

OK. If you haven't, please make your final selection. OK, thank you. So making (explicit) connections between projects and other metrics, 38 percent. Gaining support from respected community leaders, seven percent. Gaining support from political leaders, 29 percent. Getting support from businesses, utilities and lenders, 25 percent. And then highlighting success story, two percent.

Well, that is very helpful to us as we develop the content for our next presentations. Thanks for taking the time. Well, now, I'm going to start the question-and-answer session. So if you can please stay on the line to hear more detailed information on the presentations. Lauren from ICF will lead us off with our Q&A session.

And I will be putting the agenda back up, so you can think about the questions that you have where that may come up.

Lauren?



## Questions and Answers

Lauren Pederson: Thanks, Neelam. I received a lot of great questions. And the first question is for Shawn and Alex of Whatcom County.

What type of commercial buildings is a part of the program? Did your program include all types of businesses? Or just small businesses if you wouldn't mind discussing that a little bit.

Alex Ramel: Sure. This is Alex again. We designed this program with the intention of making it accessible to all different kinds of small businesses, so, specifically, crossing different energy types and crossing different industries and sectors.

So we work predominantly with businesses that have less than 100 employees. We have a few what I would say as mid-sized manufacturing facilities up to 200 or so employees. But most of the businesses we're working with are smaller than that and they – it includes everything from greenhouse operations to residential care facilities, retail, restaurants, grocery stores, et cetera.

And, consequently, we recommend a lot of very different kinds of energy efficiency improvements. In some cases, it's just lighting changes. And in some places – like, for example, we work with a crematorium, their specific improvement that they were able to make in their scheduling that conserved a lot of natural gas.

Lauren Pederson: Great. Thank you for that answer. And do you think this program would work in a county 10 percent the size of Whatcom?

Alex Ramel: I think that there is – I guess the question is specific to small business or whether it's – more generally the small business and residential components. I think that there is ample demand. If you're talking about a smaller community, what we're looking at doing right now is expanding our services into a couple of neighboring communities on a pilot basis.

And that might be a good way to approach it because I think you do need a certain density of expertise, contractor base and you need enough projects to keep people busy to justify the time and investment. The practical collaboration with a neighboring community or two would deal with that, to approach that.

Neelam Patel: And the next questions for you, Shawn and Alex, there are quite a few questions on funding. Where is the state funding coming from that was used in your project, was it state energy funding, utility funding, if you wouldn't mind discussing that for a couple of minutes.

Shawn Collins: Sure, so the initial large influx of funds that – well, we started out with some community funds to get the program off the ground and hire staff to actually prepare some of the grant applications.

The major first installment of funds came through the community energy efficiency pilot programs, grants through Washington State University's energy extension. That funded eight pilot projects throughout Washington State. We were able to receive about \$2.8 million for that. And then in addition to those funds we utilized Energy Efficiency Community Block Grants to fund the work that we've been completing the level that we've completed through the third quarter of this year.

Alex Ramel: There is also an EPA Climate Showcase Communities grant that we used for education and outreach for the community campaign. The utility funding that we utilized is predominant – most of the utility funding ends up going directly into projects in the form of rebates.

Neelam Patel: Great, thank you. And do you have advice on how our municipality could work with existing energy efficiency evaluation or retrofit businesses to encourage residents to pursue energy efficiency retrofit for upgrades?

Shawn Collins: One of the things that we're doing right now in the neighboring county is partnering with the county government to implement a pilot of 80 home energy assessments, and so, they're helping to coordinate that with local homeowners and has hired a couple of contractors to do that work, and so, the county has utilized some of their funds earmarked energy efficiency to accomplish them.

Our energy efficiency upgrades with government buildings and then also carve a chunk out to focus on the residential homeowner market. And so, that's one thing to do. They bit off a small chunk and that they're going to do 80 assessments over the course of one year, evaluate how effective it was and then decide the next steps from there. And so, that's one thing that's happening now and I think that's been (effective).

Alex Ramel: This kind of goes back to what I said about the energy, the biggest barrier, the most significant barrier being information. People who have energy efficient homes and businesses know it but they often don't know what to do about it. They've probably heard that they need new windows. In most cases that's probably inaccurate. That's not the best place to start. The best place to start is with insulation, the duct sealing.

So providing quality information is, I think, the single biggest service that you can do in your community. And if you're going to add a second service, I would say working with those existing contractors is a great way to do it. They can serve as marketing partners but, again, I would really strongly encourage you to make sure that you have criteria for making sure that the contractors that you are recommending to people are going to do top quality work.

Quality of workmanship in this industry is not uniformly good, unfortunately, and that's one of the reasons that I think it's really valuable to partner with the low income weatherization program. I can't speak for the entire country but in Washington State the standards that low income weatherization contractors are held to are higher than anybody else, and so, the contractors that have been working on the low income weatherization program, and the folks that

have been managing that program which are extended across the whole country, I think that's a fantastic resource to start with in terms of ensuring quality of workmanship.

Neelam Patel: Great, thank you so much for those answers. I'm going to move on to Rich for a couple of questions.

Rich, we had a question come in. Would you be willing to share any political realities or changes that may have affected or are affecting Arlington's Community Energy Plan?

Rich Dooley: Sure. Arlington, I think, is like a number of other communities where there is shifting areas of emphasis, things that are happening in the community realm that people are most concerned about and most interested in. And so, be it affordable housing, or a new streetcar coming in or whatever it might be, we simply have to be ready to be able to show the connection between those various realities and how the Community Energy Plan actually helps to improve conditions no matter what you're talking about, and affordable housing is a great example.

We talk about affordable housing but in actuality I think one of the things that we like to frame this as is more affordable living because it's not just about the cost of house, it's about people living inside the house and what their costs are after you get them into a house and that, be it transportation cost, the cost of utilities and so forth. And so, between the energy plan and reducing utility bills through more energy efficient buildings and so forth helped to increase the affordable living quotient and really help to support that on into the future.

So that's an example of the political realities. Other than that we are blessed here in Arlington on having a very stable county board, not a lot of turnover on the number of county board members. We have five county board members and it's fairly stable. And so, there are other jurisdictions that I know of that are called a whipsaw effect where during one term there will be an initiative, and then it get pulled out from under the staff's feet in another term of board or supervisor members. That's not the case in Arlington, and so, we are fairly fortunate from staff's point in that respect.

Neelam Patel: Great, thank you. And can you talk a little bit more about how you're able to implement and plan for district energy?

Rich Dooley: One of the challenges with Arlington is that we are a population of 210,000 people, 26 square miles and we're fairly built out already. And so, in putting in district energy which is essentially, would be a series of pipes, highly insulated, highly pressurized pipes that would carry water and those would go underground and in between buildings and buildings would share that resource to heat and cool those buildings.

And one of the challenges is and will continue to be putting in those pipes in areas where there's already piping and other infrastructure, utility infrastructure in place. And so, that's going to increase the cost and as we're pricing out our projects for implementing district energy we need to be wary of the potential pitfalls on digging up the ground and discovering that there is a lot of

things underneath our feet that we have to be wary of and cognizant of and be able to move around as we start putting those pipes in.

So as opposed to putting in a green field that's not currently developed our costs are going to be higher comparatively because we will have to be working around a fairly crowded infrastructure that's already in place in our built-out community.

Neelam Patel: Great, thank you and one last question for you, Rich. Who is paying for the operations of the streetcar that you mentioned in your plan?

Rich Dooley: I have to defer actually to our transportation folks, the county is to my knowledge going to be funding, you know, both the implementation of the streetcar, putting in the streetcar and there's already funds earmarked for that and that I believe that the, you know, funds for people riding the streetcar will go into the budget for the operations and maintenance of it so that is a county endeavor.

To my knowledge it is not privatized, and so, we're simply going to be using county funds in that regard. I'm speaking a little bit out of term because that's another department within the county in the transportation sector that can answer those questions. And if you go to the [arlingtonva.us](http://arlingtonva.us) web site and type in streetcar you should be able to find out additional information about that.

Neelam Patel: Great, thank you. We are going to wrap up the Webcast today and I'd like to encourage everybody to register for Webcast two and three and I just pulled up the slide that has those registration links and pretty much we have it already.

Connecting our next Webcast to both Arlington and Whatcom counties presentations is a good way to introduce the topics and reinforce what you can get out of this next Webcast. Today from Rich in Arlington we heard that they received some funding – have received funding from both a private partner as well as the utility to do the study on district energy. And so, in addition to those types of seed funding we'll also hear about other innovative ways to collect money so that you can invest in prime mitigation and clean energy programs.

From Bellingham some of the seed money did come from grants but other money came from the energy saved through their programs. And the other interesting piece about Alex and Shawn's presentation was the financing program that they have developed for running energy efficiency programs out there, and how they partnered with a credit union and you will hear more about those types of presentations – excuse me, those types of financing programs on our third Webcast.

And so, I'd like to thank you for joining today and we look forward to having you join our future Webcast in these series.

END